

BUSINESS PROCESS REENGINEERING - ACTIVE LIST

| No. | Initiative/ Topic | Goal/Objective | Source | Owner | Core Function | Present Status | Previous Status | Est Comp Date | IT Impact | Recommended Priority | DSCA Priority |
|-----|---|--|--------|------------------------------------|---------------|--|---|---------------------|--------------|-------------------------|---|
| 1 | Improvement of Case Closure and Reconciliation | Satisfy FMS customers and increase efficiencies by continually improving recon/closure methodologies and by promptly closing cases | IPT #2 | DSCA, COMPT-FM David Rude | Case Closure | <ul style="list-style-type: none"> -- Improved policies as contained in DoD FMR and SAMM. -- Develop FMS case reconciliation and closure policy handbook. Objectives: 1) consolidate policies and procedures into one publication; 2) promote educational/training tools; and 3) facilitate timely reconciliation and closure. -- Close ACCP supply complete cases >2 yrs Backlog reduced by 35% in CY 02. -- Completed CEMIS requirements documentation effort. -- Next closure and reconciliation conference tentatively scheduled for 20-22 May 03. | <ul style="list-style-type: none"> -- Briefed as deliverable at Sep 01 Security Cooperation Conference -- Completed case review and reconciliation matrix. -- Briefed several non-ACCP participating countries -- Enlisted all IAs into closure process -- Standardized criteria for case reviews & reconciliation's -- Promoted tools & policies available to expedite closure -- Conducted closure/reconciliation conference (18-21 Nov 02) -- Completed ACCP supply completed case closure reviews. -- Concluded briefings to non-ACCP customers (Austria, Canada and The Netherlands already converted to ACCP). | On-Going | Med. | High | <p><i>NOTE: This is the #1 priority assigned by the FPG.</i></p> |

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| 2 | FMS Surcharges | Determine appropriate FMS surcharges to include rate(s) validation, scope, process involved with each, and resulting policy improvements. | COMPT-FM | DSCA, COMPT David Rude | Case Development and Case Execution | -- FMS Surcharge Assessment Team established in FY 01. Meetings continue. -- Late Apr/early May 02: Completed CAS improvements; policy package issued June 02. --Currently addressing: PC&H and transportation. -- LSC/Admin last. | Game plan as of 18 May 2001: With the assistance of ODS/AT&L as the lead, and with the mutual consent of OUSD (COMPT), a working group would be formed with the charter of reviewing the FAR (including parts 25, 42, and 46), and the corresponding DFARS, CAM, etc. This action would necessitate the need to coordinate all conclusions with the applicable MILDEP acquisition, contracting, auditing, and security assistance communities, DLA, DCAA, DCMA and DSCA, as well as FMS customers. | Dec 03 | TBD | High <i>NOTE: This is the #3 priority assigned by the FPG.</i> | High |

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| 3 | LOR by E-Mail | This initiative would provide an alternative to conventional mail for customers willing to use electronic mail for submission of LORs to the US Government. Nothing would change with the source document itself or the authorization of the international customer parties releasing the LOR and the USG parties acting on the receipt of the LOR. | IPT #4 | DSAMS PM DSCA Kent Wiggins 703 604- 6553 P-2&3 Steve Harris | Case Development | -- DSCA to meet internally to discuss -- DSCA Policy Letter implementing the process is expected shortly. | -- IPT #4 at final meeting gave IT go ahead to draft a proposal and get out for comment. Norway, Canada and Australia also volunteered to be test countries. -- State PM Bureau willing to participate. -- The concept has been coordinated throughout DSCA, the Services, State and international customers. -- A successful test was conducted with Australia. -- DSCA has established a central mailbox (LOR-DSCA@osd.pentagon.mil) for copies of all LORs sent to DSCA, and State has established a similar central mailbox. -- To aid in record keeping and potential future automation (including DSAMS), a standard naming convention will be used for the e-mail attachment file name and Subject line to ensure uniqueness and consistency. | 14 Mar 03 | | | High 2nd One To Be Done |

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| 4 | Qualitative Analysis of FMS Business Activity Moved forward from list of Innovative Ideas. | Focus to be placed on: 1) defined order/blanket order cases; 2) # of lines on a case; and 3) total # of cases. Determine trends that improve LOAs Optimize LOA preparation/content to improve efficiencies. | Lt Gen Walters | DSCA P2 Tom Keithly (Mrs. Baker) and Compt. (Mr. Rude) DLO Sam Fletcher | Case Development | -- Compt and P3 meeting and analyzing data. -- Archived list #13 is relevant. | The Director told Compt. and P3 director to form an analysis-working group to look at how our work processes can be amended/updated (e.g. blanket order cases vs. separate LOAs for supplies). He said this will impact directly on BPR. ISI contractor (Mr. Woods, former DSAA Compt.) briefed Director 4 Jun. Two tier: Analysis Steering Committee and Analysis Cell being recommended to analyze data, prioritize issues, and determine the way ahead. | Status Update Spring 03 | | | High |
| 5 | BIC IT 07 International Electronic Information Policy | Determine the best method of sharing information between US Gov't offices and foreign gov't organizations for the purpose of conducting FMS, military equip. loans, and cooperative programs for the development and production of military equipment. | OUSD (AT&L) | Mr. Millies Glenn Lazarus | Other Security Cooperation | BIC IPT operational, meeting every two weeks. | Last IPT Meeting held 4 Apr 03. | Jun 04 | High | | High |

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| 6 | FMS Point-to-Point Material Tracking | Track shipping transactions from both organic and contractor-operated depots. Must examine implications in freight forwarder community and government export controls. | RCT Freda Lodge | DSCA, P-2&3 Brion Midland | Case Execution | <p>--Explore the use of smart technologies for end-to-end control of these transactions.</p> <p>-- PackageTrack briefing conducted 25 Jul and 29 Jul 02. Portal Phase IV (Mar 03) may incorporate capability. CEMIS will incorporate capability, after late CY2002 discussions with MILDEP SMEs.</p> <p>-- We are still looking at all options to accomplish this function.</p> <p>-Current GAO Study underway that will impact this requirement</p> <p>-Current commerce/customs project (ITDS) underway that may impact this req.</p> <p>-Gen Walters has tasked P2 to write a Freight Forwarder study, the results of that may impact this req.</p> <p>-- DSCA meeting with MILDEP counterparts to discuss.</p> | <p>-- Requires DoD agencies and MILDEPs to change existing domestic policy and data systems. -- Explore use of Commercial Asset Visibility (CAV) and Commercial Visibility-Organic Maintenance (CAV-ORM), current Navy systems that focus from point-to-point.</p> <p>-- PowerTrack has demonstrated savings in manpower and enhanced customer service.</p> | TBD | High | | Med |

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| 7 | Navy FMS Dual Track | -- This initiative creates a "Dual Track" case that provides international customers access to the DoD supply system and the option of using a Commercial Buying Service (CBS) via a single FMS case -- 80 percent of the case value will be allocated to FMS purchases and the remaining 20 percent will be allocated to CBS purchases. -- FMS Dual Track is not intended to replace existing supplemental buying service procedures but to create additional customer options. | IPT #4 | Navy CDR Broadwater Susan Lyon (202) 764-0300 Need to find replacement DSCA, P-2&3 Steve Harris | Case Development and Case Execution | -- FMS Dual Track represents a new direction in Security Assistance. FMS Dual Track will provide interested customers a single portal to DoD inventories and electronic commerce. Additional anticipated benefits include a reduction in backorders, improved FMS logistics response time, and new options for tailored FMS customer support. -- NAVICP testing FMS Dual Track "connections" on the means to vector the DCS portion to the CBS and solidifying the metrics we will use to evaluate the results at the end of the test period. -- Australia has showed renewed interest in being involved in the test. -- P2 to send a memo to Navy to ask for status. | --All requisitions submitted to Navy ICP, data entry made and USN searches stock for immediate fill (gives ICP visibility of customer needs) --Non-fill items are sent to commercial buying service designated by the foreign (CBS) customer (use commercial buying service that customer is comfortable with) --Items shipped by CBS under FMS case (do not require export license) --CBS submits invoice against standard Letter of Credit (does not have to deal with USN billing procedures) -- This is a "Best Practice" submitted by Navy to IPT #4. -- Test has been authorized to proceed with an 80% FMS/20% CBS split. Navy directed in January of 02 to amend/restate the two existing cases (with Netherlands and Norway). -- Test period will last one year after case implementation. | Aug 03 | | | Med |

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| 8 | Tri-Service ILCO Symposium. Navy idea, moved forward from list of Innovative Ideas. | Hold an "ILCO Summit" | Navy Mr. Rich Bennis | CEMIS Corporate Info Team DSCA, P2 (Mr. Lazarus and Ms. Robinson) | Case Execution | -- Symposium to be held 26-27 Aug 03. | -- ILCO Symposium Planning Mtg. held 18 Sep 02. -- DISAM willing to allow use of facilities 26-27 Aug 03 | Fall 03 | | | Med |
| 9 | Military Articles and Services List (MASL) Improvement | Improve, streamline and educate the FMS community on the MASL | | DSCA, COMPT-FM David Rude and P2 Beth Baker | Case Execution | Project Team Meetings commenced in Sep 01. Meetings scheduled to resume in mid-CY03. | | Dec 03 | Low | Low | Low |

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| 10 | E Mall – Direct Delivery to FMS Customers and Use of Debit Cards | Our international partners wish to order items from the DoD E-Mall that will be directly shipped and paid for via debit card. | DLA | Linda Kimberlin (Ex Graham) 703-767-7515 e-mail: linda_kimberlin@hq.dla.mil | Case Development and Case Execution | <p>-- Use of DoD E-Mall by coalition partners has generated considerable interest from OSD and DSCA over the last few years, but conditions were not favorable for use by FMS customers until recently.</p> <p>-- Recently, NAVICP-OF did a match of FMS backorders with the current part numbered holdings of the EMALL and discovered that there is potential to fill about 25% of current backorders, or about 33% when CLSSA is eliminated.</p> <p>-- Technical problems with ordering permissions and availability have arisen. This is not necessarily a bad thing, since it provides excellent, direct customer feedback for the E-Mall. The E-Mall Program managers have been notified of the problems and are working to address them.</p> <p>--DSCA preparing memo to DLA encouraging effort.</p> | <p>-- DLA has been requested to update on this issue.</p> <p>-- DLA and Navy met 10 Dec 02 to discuss next steps.</p> <p>-- Latest concept: individual shoppers can develop an order from E-Mall, and send the order in the form of a virtual shopping cart to the next level of review. Once final validation is completed by the customer, the shopping cart will then be sent to the ILCO for final authorization/ order placement. The order will be generated using a MILSTRIP requisition regardless of whether or not the items are part numbered or stock numbered.</p> <p>-- Australia was to begin testing in Jan 03.</p> <p>-- The implications for better customer support and increased DLA business are considerable since FMS customers have used commercial buying services (CBS) for the last few years to accommodate requirements. (One CBS had a 1.2 B contract over five years for this purpose).</p> | | | | Low |

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| 11 | Increase ILCO Flexibility for determining support methods for delivering goods and services identified on LOA, and/or amendment / modification documents. | Allow ILCOs flexibility to establish different support arrangements with each intl. customer that permits/directs how orders are processed & where orders are routed. This process will allow orders to bypass the DoD supply system and go directly to vendors; and allow customers to direct orders to specific vendors without sole source approval. | RCT Freda Lodge USAF Dan Weiner | USAF Lead DSCA, P-2&3 Steve Harris DSCA COMPT | Other Security Cooperation | -- USAF needs to submit a fully-coordinated and staffed Issue Paper on this matter. --Anticipated discussion at ILCO Symposium 26-27 Aug 03. -- DSCA working with AFSAC on requirement to provide paper. | -- May result in cost savings to international customers by bypassing the DOD infrastructure. -- International customers have expressed interest in this initiative. -- DSCA needs more information on this initiative. | | | | Low |

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| 12 | Increase SDR write-off threshold. | Increase the threshold for which the US can write-off an SDR (i.e., provide the purchaser their claim up to a set amount without going through the SDR adjudication process). | RCT Freda Lodge | Army Peggy Lindsay DSCA, P3 Kathy Robinson Navy Susan Lyon | Case Execution and Case Closure | <p>-- The thought behind this initiative is that if the value of the SDR is less than it costs the USG to adjudicate, we should just pay the claim.</p> <p>-- A study is required to access how much SDR adjudication costs the US, and any other ramifications (e.g., if this becomes policy, would all SDRs come in at the set amount that would automatically be paid.</p> <p>-- DSCA P-3 is staffing with MILDEP SDR POCs. Responses due 15 May 03.</p> | -- On-going. This initiative can be resolved via internal security cooperation policy change. | | | | Low |

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| 13 | Life-Cycle Sustainment Support | <p>Improve FMS follow-on support and allow MILDEPs and DLA to provide support based on best practices.</p> <p>Manage FMS Reserve And Resale Out-Of-Inventory Equipment</p> | RCT Freda Lodge | <p>Navy Rich Bennis</p> <p>Navy IPO CDR Broadwater</p> <p>FMS Reserve Leg. Review: DSCA, GC, P- 2&3, LPA & COMPT Steve Harris primary POC</p> | Case Execution | <p>-- NAVSEA sponsoring a FY03 legislative initiative for the FMS Reserve. A similar attempt was made in FY 02 by Navy but was unsuccessful.</p> <p>-- DSCA GC is working with Navy on language to overcome DSCA concerns.</p> <p>-- Working toward FY 04 legislative initiative.</p> <p>-- OSD Working Capital Fund personnel are working with the Navy to see whether the storage of the non-Working Capital Funded items can be incorporated into the Working Capital Funded inventory. Therefore, legislation may not be required. Discussions are continuing.</p> <p>-- DSCA Counsel examining.</p> <p>-- Potential topic for ILCO Symposium.</p> | <p>-- Cross-references to Active BPR initiative 6 and Archived BPR initiatives 18 and 44.</p> <p>-- 65% of program fully implemented with secondary items. Presently, the Arms Export Control Act (AECA) prohibits buying in anticipation of demand. Need legislation change in order to accommodate appropriation-funded items.</p> <p>-- Navy pilot FMS "Dual Track"; FMS Reserve concept; MILDEP Commercial Buying Services.</p> | | | | Low |

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